



**PAC.NZ**

towards sustainable packaging

**PACKAGING COUNCIL OF NEW ZEALAND (INC)**

**ANNUAL REPORT 2011**

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**PACKAGING COUNCIL OF NEW ZEALAND (INC)**

TOWARDS SUSTAINABLE PACKAGING

## PURPOSE

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The Packaging Council of New Zealand's role is to assist its members minimise the environmental impact of packaging by championing cost effective, sustainable solutions and product stewardship.

## VALUES

### INTEGRITY

The Packaging Council will always act with integrity and is acutely conscious of its role in protecting New Zealand's environment.

### TRANSPARENCY

We are transparent in the presentation of impartial, factual information to members, the public and other stakeholders.

### ENGAGEMENT

We are committed to actively engaging with a broad membership base to achieve sustainable environmental benefits.

### COOPERATION

We take a supportive and collaborative approach with government and other organisations that are addressing related issues.

## VISION TO 2012

The Packaging Council of New Zealand will be the advocacy group representing the whole packaging life cycle and will:

- embed its Packaging Product Stewardship Scheme and achieve accreditation
- champion initiatives to improve industry and consumer awareness of packaging sustainability
- champion programmes which improve understanding of the positive contribution packaging makes to society and the economy
- strengthen alliances with industry associations and other stakeholders addressing similar issues
- broaden the membership base particularly in the retail sector

## PACKAGING COUNCIL STAFF



From left to right:

Paul Curtis  
(Executive Director)

Roshni Prasad  
(Executive Personal Assistant)

Sharon Jereb  
(Environment Manager)

## EXECUTIVE COMMITTEE 2010/2011

President



David Carter  
Group Environment and  
Technical Projects Director

Vice President



Melissa Hodd  
Executive Manager

<<< Poynter Agencies Ltd >>>



Rick Poynter  
Poynter Agencies

Harry Burkhardt  
Managing Director



Julie Evans  
Sales Management Director



Andrew Gleason  
General Manager



Richard Manaton  
GM Planning & Compliance



Spring Humphreys  
National Eco-Efficiency Manager



Andreas Haussrer  
General Manager –  
Sales & Marketing



Darren McClenaghan  
Environment Health & Safety  
Engineering Manager



Tim Fahey  
General Manager



John Novak



Ian Maddaford  
General Manager



Mandy Miller  
Supply Chain Innovation  
& Planning Manager

Noel Thompson  
Resigned March 2011



Suzy Clarkson  
Corporate Affairs Manager

Ralph Dupper  
Resigned December 2010



Stephen Bramlage  
General Manager

Brian Slingsby  
Resigned September 2010

## PRESIDENT'S REPORT

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At the end of a year of great change and uncertainty it's great to report to you that we have transitioned from the world of the "Packaging Accord" to the new era of the "Waste Minimisation Act" in good shape and that we are well placed to participate in subsequent opportunities that are now available for local government and industry to become involved in Product Stewardship and waste minimisation project funding.

A big part of our transition has been the development and roll out of the Packaging Council's "Packaging Product Stewardship Scheme" that has happened throughout the year. We have spent time with members at briefings and workshops to help understand stakeholder's needs and concerns and to describe the scheme and its benefits. We are gaining momentum in this participation and to date have 17 of our member companies signed to the scheme and are aiming to complete negotiations with many other member companies over the next few months.

We have also been looking at our "Strategy" in light of the changed environment in which we operate and will be rolling that and our annual plans out to members over the next couple of months. We are confident that the Packaging Council has the best opportunity to be the consolidator of the packaging industry's activities and will need to work even closer with central / local governments and industry sector groups.

The Executive Committee established a sub-committee to facilitate the strategy review and I would take this

opportunity to personally thank the team who are, Melissa Hodd (Foodstuffs), Spring Humphries (Fonterra), John Novak (3M), Steve Bramlage (O-I), and Richard Manaton (Progressive Enterprises).

Whilst promoting the scheme has been an important part of our work this year, we continue to advocate the valuable contribution which packaging makes to society, the economy and the environment. Without packaging we would have massive food waste. Whilst global food production is at an all time high it is often in the wrong places to serve the people who really need it. And as a country which relies on its export markets, packaging is vital to New Zealand's economy.

We are also preparing for the Packaging Councils Awards and encourage all Members to attend what is expected to be an evening of showcasing our industry's best, whilst being a great opportunity to relax and catch up with colleagues old and new.

This has been another important and challenging year for the Packaging Council as we continue to transition. I would like to thank the Executive Committee and the staff of PAC.NZ for their support and dedication.



David Carter  
President

## EXECUTIVE DIRECTOR'S REPORT



I've always taken pride in the fact that the Packaging Council is a proactive organisation and this year has been no exception.

In 2008, we launched our Purpose, Values and 'Vision to 2012' statements and in October 2010, the whole Executive Committee (board) met to undertake a strategic review exercise to determine

how well we are progressing towards our goals. In December 2010 the Executive Committee agreed on clearer, more tightly defined Purpose, Values and 'Vision to 2012' statements, which are set out on the inside front cover of this annual report. The outcome of the review effectively says that we can't be all things to all people and that our core business is to assist our members minimise the environmental impact of packaging by championing cost effective, sustainable solutions and product stewardship.

This clear direction helped define our work programme for the year. We held the first seminar on our Packaging Product Stewardship Scheme in November 2010, covering 'the why, the what and the how' of the scheme. Through extensive consultation with our members we understood that, after talking about the scheme at a high level for so long throughout its development, what you wanted was the detail. With that in mind we took a different approach to our normal 'presentation' based seminars and ran this first event more as a taught workshop in collaboration with the Manukau Institute of Technology in Auckland. The feedback on this approach was so positive that we decided to run the first workshop on our new Code of Practice for Packaging Design, Education and Procurement in a similar fashion.

We have been very encouraged by the rate of uptake of our Packaging Product Stewardship Scheme, which had 17 members at the time of going to press. The first half of 2011 has also seen the Packaging Council begin to engage more widely with our stakeholders to educate them about the scheme and we have a communications plan in place to take the scheme to the larger councils and community recycling groups. The purpose of these conversations is to explain the overall intent and scope of the scheme, share with them the scheme's 'Complaints and Suggested Improvements Process' and identify potential areas for collaboration.

Our Member Briefing Lunches, held three times a year in Auckland and Wellington, continued to be popular. At the March Member Briefing Lunches, TechNZ were invited to talk about the Government's Research and Development grants. This was the first time we had invited outside speakers to present at the Member Briefings and the feedback was so positive we have decided to change the format of future briefing lunches to include outside speakers more regularly.

We have also continued to work hard on cultivating key strategic relationships for the benefit of our members.

I continue to represent our member's interests on Scion's Functional Food Packaging Industry Advisory Group to ensure their research is aligned with industry's needs and market changes.

The biggest change in New Zealand's science and innovation system in 20 years will take effect from the 1st July 2011. Over the last year, New Zealand's eight Crown Research Institutes (CRIs) have been working with their clients, and stakeholders to put into place the recommendations of the Government's 2010 CRI Taskforce. I have been closely involved in the development of Scion's Science and Innovation Framework, from a packaging perspective, and I'm delighted that their high level key performance indicators include an outcome to develop new bio-based packaging solutions.

Our Environment Manager, Sharon Jereb, Chairs Plastics New Zealand's Degradable Plastics Working Group. The primary focus of this group is to assist in the dissemination of information about degradable plastics, to address the state of confusion in the marketplace over what plastic is appropriate to use and whether the enhanced environmental performance claims can be realised, particularly the ability to manage end of life options which are limited to recycling, composting, energy recovery or landfill. This issue has become particularly elevated as jurisdictions around the world are focussing on 'green claims' and companies found to be extolling 'environmental benefits' based on technical qualities, overlooking the facts that those technical qualities cannot be realised in a 'real-life' sense, run the risk of falling foul of commerce related legislation.

The Packaging Council continued to keep a close eye on the legislative and policy landscape and the Executive Committee has, over the last year, discussed the implementation of the Waste Minimisation Act, the Environmental Protection Authority Bill, the Consumer Law Reform and the Government's Green Growth Initiative.

In November we held our annual Ambrose Rules golf tournament at Muriwai Golf Club, West Auckland and proved to be as popular as ever with 20 teams playing and many of our members using the opportunity to form teams with their customers and suppliers.

Thank you for all your support over the last year. We are your organisation and we are always interested in hearing your comments and suggestions to improve the quality of our services.

Paul Curtis  
Executive Director



## PACKAGING COUNCIL ACTIVITY – 2010/2011

### PACKAGING PRODUCT STEWARDSHIP SCHEME & CODE OF PRACTICE FOR PACKAGING DESIGN, EDUCATION AND PROCUREMENT

Membership of the **Packaging Product Stewardship Scheme** has grown steadily since the launch of the scheme in April 2010. Current membership stands at 17 companies, with several more actively engaged in the final stages of formally committing to the scheme. The Packaging Council has maintained a consistent message regarding joining the scheme, that is “*don't commit until you are confident that you can meet the reporting requirements of the scheme*”. The intent of this clear signal is not to encourage a laissez-faire attitude towards membership of the scheme, because it requires a critical mass to be credible, but rather to reflect the fact that the scheme's success is dependent on good quality base-line data and the ability to set realistic improvement targets from that data.

The key performance indicators for the scheme are a combination of both qualitative and quantitative data. It is anticipated that in the early years of the scheme much of the data will be qualitative as companies set out how they are going to introduce and implement the appropriate systems to provide quantitative data. We have stressed to all members of the scheme that we do not expect to receive comprehensive data sets from year one, rather we expect to see good quality data derived from a tightly defined scope, where the scope will be widened over time. It is important to recognise that the key performance indicators have been designed to meet the compliance requirements of Part 2 of the Waste Minimisation Act and as such may not be completely aligned with either company reporting systems or those of the supply chain. However, feedback to-date suggests that the data capture requirements are not too onerous where basic measurement systems are in place around packaging, recycling and waste.

The **Code of Practice for Packaging Design, Education and Procurement** was developed in parallel with the Packaging Product Stewardship Scheme and all members of the scheme must commit to assessing new and existing packaging against the four key principles set out in the Code. However, the Code was developed to reflect the wider scope of international trends for measuring and managing packaging sustainability and, as such, it is relevant to scheme members and non-scheme members alike.

The Packaging Council has been following international developments of a global language for packaging sustainability, driven by the global Consumer Goods Forum. The aim of this project, lead by the global food and grocery brand-owners and retailers, is to develop consistent measures for sustainability around packaging in order to reduce complexity, reduce costs and enable better results. When completed, this piece of work will be a substantial resource that will help organisations better understand if they are making progress, provide a common approach, make well informed decisions, identify opportunities and set goals. At the time of going to press, a pilot trial has been completed and the

final set of indicators and metrics are expected to be published shortly.

At the time this pilot trial was underway, the Packaging Council began developing the Code of Practice for Packaging Design, Education and Procurement and we saw the benefits of adopting this work. When the final set of performance indicators are formally adopted by the Consumer Goods Forum, our Code will be updated to reflect the most current international best practices and indicators.

In a convergence of work aimed at harmonising standards for packaging and the environment, ISO are developing a number of new standards which are currently under global review. The Packaging Council was granted 'observer status' on this project so we have been able to keep abreast of the standards development and how they could be used to complement the information in the Code. Future versions of the Code will include reference to these international standards, which are expected to be published at the end of 2012.

### ACTIVITIES FOR THE YEAR

#### PACKAGING PRODUCT STEWARDSHIP SCHEME

In November 2010, we held seminars in Auckland and Wellington on the Packaging Product Stewardship Scheme. These were run in collaboration with the Manukau Institute of Technology.

The purpose of the seminars was to cover:

- The 'why' – *why we have a scheme and putting the scheme into context (both political and environmental)*
- The 'what' – *what does the scheme require a company to do?*
- The 'how' – *tools to help report against the scheme's Key Performance Indicators (including worked examples)*
- The journey to accreditation – *why the quality of the data is so important*

#### COULD YOU CREATE A RECYCLING SUPERHERO?

That was the challenge CANZBAC set for their 2010 Term 4 schools competition.

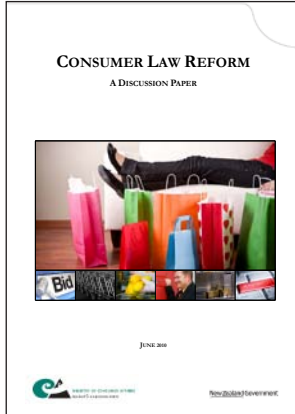
Children were asked to write an outline of a story that is to become a new and action packed



TV adventure on a day in the life of Hanable the Can-able (HC to his friends) – the recycling superhero.

Over three hundred entries were received and the standard of the work demonstrated how successfully the recycling messages can be communicated when the students have the opportunity to be creative.

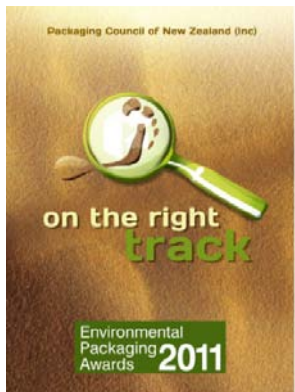
## CONSUMER LAW REFORM



Over the last year, the Government undertook a major review of New Zealand's consumer law. The Packaging Council on behalf of its members entered a submission on the Ministry of Consumer Affairs' discussion paper to specifically address issues around the substantiation of claims and environmental claims. Subsequent to written and oral

submissions a further document was issued by the Ministry in which they recommended that a general prohibition on unsubstantiated claims should be added to the Fair Trading Act, but that the Commerce Commission should not be given 'substantiation notice' powers, in other words, companies remain innocent until proven guilty. This is line with the Packaging Council's recommendations are we are pleased to have played a pivotal role in addressing this significant issue for the packaging industry.

## 2011 ENVIRONMENTAL PACKAGING AWARDS



The 2011 Environmental Packaging Awards were launched in March.

Our theme this year is 'On the right track', to reflect that our Packaging Product Stewardship Scheme has set the right course and we are now embarking on a journey towards accreditation.

We listened to your feedback after the 2009

Awards. You told us that you wanted fewer categories which were clearly aligned with your operations. Taking these comments on board, we developed new categories with broader criteria but clearer operational boundaries.

All entries will be displayed at the gala dinner on the 2nd September 2011.

## GREEN GROWTH ADVISORY GROUP

In January 2011, the government announced the establishment of an eight-strong Advisory Group on Green Growth 'in enabling New Zealand to grow the economy while enhancing our clean, green brand'. The Packaging Council is in dialogue with the Advisory Group to ensure that the role of packaging is an integral part of any strategy that will be recommended by the group. The Advisory Group will meet regularly this year,

reporting to the Ministers of Economic Development and the Environment, with a final report expected by the end of 2011.

## CODE OF PRACTICE WORKSHOP

The first Code of Practice Workshop was held in April 2011 in Auckland. The two hour session took the participants on a journey through sustainability in both an international and local context and explained how the Code can be used to navigate through the types of performance indicators which are increasingly being demanded from suppliers and customers alike.



The key message of the workshop was to give our members an awareness that disclosing performance data is becoming an essential element of doing business and to create a sense of 'preparedness' on how to select and source the data which is meaningful to their organisations.

## LIFECYCLE INVENTORY AND CARBON FOOTPRINTING COURSE

The Packaging Council was very pleased to work with the Australian Institute of Packaging to bring their half-day Lifecycle Inventory and Carbon Footprinting Course to New Zealand in January 2011 for the benefit of our members and to help bring our Code of Practice to life in a practical sense.

## MEMBER BRIEFING LUNCHES

A number of Member Briefing Lunches were held throughout the year in both Auckland and Wellington. These continue to be a popular networking opportunity and will be a permanent fixture for the future, providing an opportunity for outside speakers to present on current issues of interest to our members and for the Packaging Council to seek feedback from the membership.

## PAC.NZ ANNUAL GOLF TOURNAMENT

In November 2010 we held the 11th Packaging Council Annual 'Ambrose Rules' Golf Tournament.



Over the years this has built up a very loyal following and is an event enjoyed by our golfing members who have the opportunity to bring along their staff and clients for a relaxed networking day.

Once again Muriwai Golf Club were great hosts and despite the weather a wonderful day was enjoyed by all. We hope to see all our golfers again this year on the 10th November 2011.

# PACKAGING COUNCIL OF NEW ZEALAND (INC)

## 2010/2011 ANNUAL GENERAL MEETING

MINUTES OF THE MEETING HELD AT THE VIP FUNCTION ROOM, ASB BUILDING, GATE A,  
217 GREENLANE ROAD WEST, EPSOM, GREENLANE, ON TUESDAY 17th AUGUST 2010

### 1. OPENING

The meeting commenced at 4.55pm.

**Paul Curtis, Executive Director** opened the AGM and welcomed the members to the meeting. Paul spoke about the journey to develop a voluntary product stewardship scheme for packaging that is capable of being accredited under the Waste Minimisation Act. Paul also spoke about the development of the new Code of Practice for Packaging Design, Education and Procurement. Paul explained the planned workshops to help members 'operationalise' the scheme and Code. Paul summarised the Packaging Council's submission to the Consumer Law Reform and the work of the CANZBAC group. Paul then talked about how the Packaging Council is well placed to take advantage of the Government's Economic Growth Agenda for the benefit of the membership. Paul then invited the President to make a brief presentation.

**David Carter, President** welcomed members to the meeting. David thanked the Packaging Product Stewardship sub-committee for their hard work, which had been a time consuming exercise. David said that the scheme will require improvement measures to be established before accreditation can be applied for and that the Packaging Council will be focussing on pulling the industries and sectors together to address packaging 'whole of life', including litter. David said that the costs associated with voluntary product stewardship may look different compared to the past, but is still the 'best cost' alternative to regulation. David explained that the Executive Committee is looking forward, with a 3 year plan in mind. Finally, David thanked the Executive Committee and Packaging Council staff for their support.

### 5.20PM - COMMENCEMENT OF THE ANNUAL GENERAL MEETING - FORMAL BUSINESS

### 2. PRESENT

Tim Fahey	Amcor Packaging
Andreas Haussrer	Aperio Group
Spring Humphreys	Fonterra Co-operative Group
John Webber	Glass Packaging Forum
David Carter	Lion Nathan
Rick Poynter	Poynter Agencies
Julie Evans	Tetra Pak
John Novak	3M
Dave Cronshaw	SCA Hygiene Australasia
Ian Maddaford	Transpacific Industries
Melissa Hodd	Foodstuffs
Richard Manaton	Progressive Enterprises
Noel Thomson	DB Breweries

Harry Burkdhart	Replas
Wendy Clark	O-I New Zealand
Penny Garland	O-I New Zealand
Andrew Gleason	Visy Board
Komal Devi	British American Tobacco
Alistair Sayers	Frucor Beverages
John Matthews	Cospak
Grant Hall	The Good Packaging Company
Suzy Clarkson	Coca Cola Amatil
Shalini Singh	Nestle New Zealand
Denise Baxter	Sonocco
Dave Cronshaw	SCA Hygiene Australasia
Martin Kietzmann	Codemark
Kate Porter	McDonalds
John Webber	Glass Packaging Forum
Doug Paulin	Hubbards Foods
Paul Tansley	Silverfox Solutions
Kathryn Kent	Matua Valley

Also in attendance were Paul Curtis, Sharon Jereb, Roshni Prasad and Donna Hellens from the Packaging Council.

### 3. APOLOGIES

#### Were received from:

Peter Burrows	Mars New Zealand
Saione Greer	Creation House
Brian Slingsby	O-I New Zealand
Peter Phillips	Cerebos Greggs
Jane Monaghan	Unilever
Tristram Wilkinson	Kimberly Clark
Richard Smith	Clorox
Emilie Isaacs	British American Tobacco
Vish Sarma	Colgate Palmolive
Darren McClenaghan	Sealed Air
Ken Rogers	Pernod Ricard
Ament Nagar	Goodman Fielder
Lance Johns	Westfield
Trevor Johnston	The Warehouse
Garyth Dalton	Sanitarium
Donald Nelson	Lion Nathan
Michael Shatfold	NCI
Ralph Dupper	Coca-Cola Amatil

Kathy Gilroy NZ Sugar Company Ltd  
Alayna Morgan Sutton Group  
Windsor Yang NCI

**It was moved:** that the **apologies** for the meeting be accepted.

**Dave Cronshaw / Andreas Haussrer** **Carried**

## PROXIES

No proxies were received

## 4. CONFIRMATION OF MINUTES

Minutes of the Annual General Meeting held on Thursday 25 June 2009 had been circulated.

**It was moved:** Minutes of the Annual General Meeting held on 25th June 2009 be accepted.

**Dave Cronshaw / Andrew Gleason** **Carried**

## 5. ANNUAL REPORT

The 2009/2010 Annual Report of the Council had been circulated.

**It was moved:** that the 2009/2010 Annual Report be received and adopted.

**Andreas Haussrer / Richard Manaton** **Carried**

## 6. AUDITED ACCOUNTS

The Audited Accounts of the Council had been circulated.

**It was moved:** that the Audited Accounts be received and adopted.

**Dave Cronshaw / John Webber** **Carried**

## 7. ELECTION OF AUDITORS

The Executive Director advised that the Packaging Council of New Zealand were satisfied with their current Auditor, Hudson Kasper and wish to remain with them.

**It was moved:** that Hudson Kasper remain as PAC.NZ's Auditors.

**Noel Thomson / Julie Eavns** **Carried**

## 8. 2010 / 2011 ELECTION OF OFFICERS

The Executive Director advised that an election for the following positions was not necessary.

**President**

**Vice President**

**Packaging Manufacturers**

**Packaging Users and Fillers**

**Raw Materials Suppliers, Services and Waste Management**

## Distribution and Sales

### Representative of One From Any Sector of the Industry

The Executive Director confirmed the officers as follows:

#### PRESIDENT:

David Carter – Lion Nathan

#### VICE PRESIDENT:

Melissa Hodd – Foodstuffs

#### IMMEDIATE PAST PRESIDENT:

None, due to the retirement of Mark Brosnan from the Executive Committee.

#### PACKAGING MANUFACTURERS:

Andrew Gleason – Visy Board

Darren McClenaghan – Sealed Air's Cryovac Division

Andreas Haussrer – Aperio Group

Brian Slingsby – O-I New Zealand

#### PACKAGING USERS AND FILLERS:

Ralph Dupper – Coca-Cola Amatil

Spring Humphreys – Fonterra Co-operative

Noel Thomson – DB Breweries

#### RAW MATERIALS SUPPLIERS, SERVICES AND WASTE MANAGEMENT

Ian Maddaford – Transpacific Industries

Harry Burkhardt – Replas

Rick Poynter – Poynter Agencies

#### DISTRIBUTION & SALES:

John Novak – 3M

Richard Manaton – Progressive Enterprises

Julie Evans – Tetra Pak

#### REPRESENTATIVE OF ONE FROM ANY SECTOR OF THE INDUSTRY:

Tim Fahey – Amcor Packaging

**It was moved:** that the above Nominees be confirmed as the 2010/2011 Executive Committee.

**Dave Cronshaw / Andrew Gleason** **Carried**

## 9. GENERAL BUSINESS

No general business was raised.

## 10. CLOSURE

There being no further business David Carter congratulated those Executive Committee members taking new positions and thanked members for their attendance. The meeting closed at 5.30pm.

# PACKAGING COUNCIL OF NEW ZEALAND (INC)

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 MARCH 2011

HUDSON • KASPER

### INDEPENDENT AUDITOR'S REPORT

#### To the Members of the Packaging Council of New Zealand Inc

We have audited the financial statements of the Packaging Council of New Zealand Inc on pages 10 to 13, which comprise the statement of financial position as at 31 March 2011, the statement of financial performance and the statement of movements in members' funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Executive Committee's responsibilities for the Financial Statements

The Executive Committee is responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters

to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor, we assist in the drafting of the statutory financial statements and in the preparation of the annual tax return. We have no other relationship with, or interests in, the Packaging Council of New Zealand Inc.

#### Opinion

In our opinion, the financial statements on pages 10 to 13:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the Packaging Council of New Zealand Inc as at 31 March 2011 and its financial performance for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations we have required.

In our opinion proper accounting records have been kept by the Packaging Council of New Zealand Inc as far as appears from an examination of those records.

*Hudson Kasper*

23 May 2011  
Auckland

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011	2010
Income	5	472,717	548,037
Expenses	6	(467,378)	(514,442)
<b>Operating Surplus before other Income</b>		5,339	33,595
Other Income	5	11,359	11,243
<b>Operating Surplus before Taxation</b>		16,698	44,838
Taxation Expense	2	(1,070)	(1,275)
<b>NET SURPLUS AFTER TAXATION</b>		<u>\$15,628</u>	<u>\$43,563</u>

### STATEMENT OF MOVEMENTS IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2011

	2011	2010
Net Surplus for the Year	15,628	43,563
Total Recognised Revenue and Expenses for the Year	15,628	43,563
<b>MEMBERS' FUNDS AT 1 APRIL 2010</b>	400,842	357,279
<b>MEMBERS' FUNDS AT 31 MARCH 2011</b>	<u>\$416,470</u>	<u>\$400,842</u>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011	2010
<b>CURRENT ASSETS</b>			
Cash on Hand		107	14
Bank		299,435	139,046
Term Deposits		151,092	277,956
Accounts Receivable		369	2,551
Other Current Assets		4,080	2,226
Prepayments		22,201	4,685
Tax Refund Due	2	1,891	1,122
		<u>479,175</u>	<u>427,600</u>
<b>NON CURRENT ASSETS</b>			
Fixed Assets	3	18,918	23,059
<b>TOTAL ASSETS</b>		<u>\$498,093</u>	<u>\$450,659</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Accruals		47,943	38,562
Income in Advance		24,484	10,500
GST		9,196	754
		<u>81,623</u>	<u>49,816</u>
Members' Funds	4	416,470	400,842
<b>TOTAL FUNDS EMPLOYED</b>		<u>\$498,093</u>	<u>\$450,659</u>

For and on behalf of the Council



David Carter, President  
Dated: 23 May 2011



Paul Curtis, Executive Director  
Dated: 23 May 2011

### THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS

#### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

##### 1. STATEMENT OF ACCOUNTING POLICIES

###### Reporting Entity

Packaging Council of New Zealand Inc (the Council) is an incorporated society. The Council was established to provide New Zealand industry with a unified, balanced and authoritative voice on environmental issues.

The financial statements of the Council are a general purpose report which has been prepared in accordance with generally accepted accounting practice.

###### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of performance and financial position on a historical cost basis are followed by the Council.

###### Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of financial performance and financial position, have been applied:

###### Accounts Receivable

Accounts Receivable are stated at their estimated realisable value.

###### Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2004.

Furniture and Fittings	9.6% - 31.2% DV
Office Equipment	18% - 60% DV
Leasehold Improvements	11.4% - 12% DV

###### Leases

The Council leases a motor vehicle, photocopier and premises.

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are included in the determination of the operating profit in equal instalments over the lease term.

###### Taxation

Taxation expense charged against the operating surplus for the year is the estimated total tax for the year in accordance with the taxation return submitted to the Inland Revenue Department.

###### Subscriptions

Subscriptions are accounted for on a cash basis. No adjustment is made for subscriptions received in advance.

###### GST

The financial statements have been prepared on a GST exclusive basis with the exception of receivables and payables which include GST invoiced.

###### Differential Reporting

The Council qualifies for differential reporting as it is not publicly accountable and it is not large as defined in the framework for differential reporting. The Council has taken advantage of all available differential reporting exemptions.

## Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

## 2. TAXATION

	2011	2010
Income from Non Exempt Operations	10,530	606
Interest	11,359	11,243
Expenses Claimed	(17,323)	(6,601)
	<u>4,566</u>	<u>5,248</u>
Exemption Allowed	(1,000)	(1,000)
<b>Taxable Income (Loss)</b>	<u>3,566</u>	<u>4,248</u>
Loss Brought Forward	-	-
<b>Taxable Income (Loss to carry forward)</b>	<u>\$3,566</u>	<u>\$4,248</u>
Taxation Charge at 30%	1,070	1,275
<b>Less:</b>		
Resident Withholding Tax	(1,839)	(2,397)
Prior Year Refund Due	(1,122)	-
<b>NET TAXATION PAYABLE/(REFUND DUE)</b>	<u>(\$1,891)</u>	<u>(\$1,122)</u>

## 3. FIXED ASSETS

	Cost	Accumulated Depreciation	2011 Book Value
Furniture and Fittings	24,202	17,633	6,569
Office Equipment	41,424	35,485	5,939
Leasehold Improvements	11,092	4,682	6,410
	<u>\$76,718</u>	<u>\$57,800</u>	<u>\$18,918</u>

	Cost	Accumulated Depreciation	2010 Book Value
Furniture and Fittings	24,202	16,373	7,829
Office Equipment	40,476	32,527	7,949
Leasehold Improvements	11,092	3,811	7,281
	<u>\$75,770</u>	<u>\$52,711</u>	<u>\$23,059</u>

## 4. MEMBERS' FUNDS

Accumulated Earnings	2011	2010
Accumulated Earnings Brought Forward	400,842	357,279
Net Surplus After Tax	<u>15,628</u>	<u>43,563</u>
<b>Members' Funds at End of Year</b>	<u>\$416,470</u>	<u>\$400,842</u>

## 5. OPERATING REVENUE

Membership Fees	437,149	439,194
Packaging Product Stewardship Scheme	11,089	-
Miscellaneous Income	13,949	13,572
CANZBAC	9,915	-
PAC-IT Sales	615	606
Award Sponsorships	-	<u>94,665</u>
<b>Total Sales</b>	<u>472,717</u>	<u>548,037</u>
Interest	<u>11,359</u>	<u>11,243</u>
<b>Total Other Income</b>	<u>11,359</u>	<u>11,243</u>
<b>TOTAL OPERATING REVENUE</b>	<u>\$484,076</u>	<u>\$559,280</u>

## 6. SURPLUS BEFORE TAXATION

	2011	2010
After Charging:		
Audit Fees	5,400	4,700
Bad Debts	-	-
Depreciation	5,089	6,654
Rent - Premises	31,798	35,418
Wages and Salaries	287,181	295,020
Motor Vehicle Expenses & Leases	12,427	11,540
ACCORD – refer Note 10		

## 7. LEASE AND CAPITAL COMMITMENTS

### Capital Commitments

There are no capital commitments outstanding as at 31 March 2011 (2010 Nil).

### Lease Commitments

	2011	2010
Operating Leases:		
Current		
- Premises	26,000	18,991
- Motor Vehicle	10,284	10,284
- Photocopier	1,164	3,492
	<u>37,448</u>	<u>32,767</u>
Non-Current		
- Premises	67,167	-
- Motor Vehicle	13,712	23,996
- Photocopier	-	1,164
	<u>80,879</u>	<u>25,160</u>
	<u>\$118,327</u>	<u>\$57,927</u>

### Premises

A lease for the premises situated at 77 Greenmount Drive, East Tamaki was entered into for a term of four years, commencing 1 November 2006 until 1 November 2010 with two rights of renewal for a further four years each. The lease has been extended for another 4 years until 1 November 2014.

Monthly rental is \$2,167 plus GST (2010 \$2,713 plus GST).

### Motor Vehicles

A new lease for the motor vehicle registration # FDG312 was entered into last year. The lease is for a period of 45 months and commenced on 27 October 2009 and expires on 27 July 2013. Monthly rental is \$857.00 plus GST.

### Photocopier

A lease for a Kyocera photocopier was entered into in August 2008 for a term of 36 months.

Monthly rental is \$291.00 plus GST.

## 8. RELATED PARTIES

There have been no transactions with related parties during the year.

## 9. CONTINGENT LIABILITIES

There are no contingent liabilities outstanding as at 31 March 2011 (2010: Nil).

## 10. THE ACCORD

Included in the surplus for last year were contributions by the Council towards the administration of the ACCORD. These contributions consisted of direct expenditure incurred as well as indirect expenditure (such as percentage allocations of salaries and overheads). Net of expense equalisations from the Ministry for the Environment the Council has contributed \$Nil (2010: \$106,631) to the ACCORD for the year ended 31 March 2011. The ACCORD, having met its objectives, was dissolved in 2009. Accordingly the Council will no longer be required to make contributions towards the administration of the ACCORD.

# MEMBER COMPANIES







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